



## The Learning MarketSpace, March 1, 2000

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Written monthly by Bob Heterick and Carol Twigg, *The Learning MarketSpace* provides leading-edge assessment of and future-oriented thinking about issues and developments concerning the nexus of higher education and information technology.

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### THE GATORADE FALLACY

One of the hot topics swirling around higher education today is, who owns online courses and course materials? The AAUP says it's the faculty; the AAU says it's the university. The battle lines are being drawn.

The Chronicle of Higher Education is doing yeoman service in fanning the flames of controversy. Here's a sample of what we mean: "Professors and university administrators are jockeying for control and ownership of fundamental elements of teaching--course materials and the courses themselves. For centuries, professors have prepared lectures, organized readings, and created exams without worrying about who owned them. But now the growth of distance education and the widespread use of multimedia course materials have convinced some administrators and faculty members that they're sitting on gold mines: It might be possible to package college courses and sell them over the Internet or on disks."

Those who have strong views on this subject appear to be driven by a belief that there is, indeed, gold in them thar hills. When eminent figures in higher education like Teachers College president Arthur Levine start talking about the "Hollywoodization of academia" and predicting that faculty members with popular online courses will have academic agents and appear on the Jay Leno show, the nature of the intellectual property conversation changes considerably.

If Arthur Levine is correct (and perhaps even if he is not), colleges and universities and their faculty members seem poised to go to the mat on the ownership issue. Two recent developments illustrate this digital divide, one which has the potential to be a more serious problem for higher education than the question of pc ownership.

The first confirms the idea that celebrity faculty members may find new markets for their courses and personally reap the benefits, both professionally and financially. Arthur Miller, a well-known Harvard University law professor, is supplying videotapes of his lectures to the Concord University School of Law, an on-line institution. Harvard officials say he is violating university policy by providing course material to another law school without permission.

Mr. Miller disagrees, saying that because he doesn't teach at Concordia or interact with its students, he is not violating Harvard's policies. He says his arrangement with Concord is analogous to publishing a book or giving a lecture on television. Concord notes that Mr. Miller is one of several professors who provide course material to their law school but don't teach there and that Harvard is the first institution to raise objections.

The Arthur Miller case raises the question of whether universities will be able to hang on to the best of their professors in the years ahead if they restrict their ability to sell themselves and their courses to other providers. If a professor truly has "star quality," can the university realistically expect to own a piece of the action?

The folks at the University of Chicago and UNEXT.com seem to think so. And they think they can own more than a piece. UNEXT.com plans to use the faculty expertise of a number of select universities like Chicago, Columbia and Stanford to develop a series of business-oriented courses. UNEXT.com will sell the courses to multinational and overseas corporations, who will then deliver the courses to their employees worldwide.

Under the UNEXT.com business model, contracts make clear that the content going to the company comes from the institutions, not from any particular faculty member, and that the university, not the professors, will own the rights to any intellectual property that is developed. UNEXT.com pays the universities in return for receiving help from faculty members to produce courses or short lessons. The money goes to the universities, which will then compensate the participating faculty members under terms each institution devises.

According to the Chronicle, Chicago's provost Geoffrey Stone says that while no particular professor will be compelled to participate, the university will consider participation with UNEXT.com as part of business-school faculty members' teaching responsibilities, for which they will receive compensation or release time.

Hmmm . . . university professors as wage slaves. What would Karl Marx have to say about that?

Why would the University of Chicago take a position so at odds with academic tradition? It's that gold in them

thar hills. The Chronicle quotes a Stanford official as saying, "Universities missed out on making money on textbooks. That's why they're signing. It's their way of getting a piece of the action." Ever vigilant to a flame-fanning opportunity, the Chronicle editorializes, "Should the privately held UNEXT.com go public, the participating universities would have the right to convert their royalties into stock, giving the institutions insider opportunities to capitalize on Wall Street's fever for Internet start-ups and for profit education companies."

Whatever you may think about economics professors trading quips with Jay Leno or the University of Chicago as the next amazon.com, the significance of these two cases goes beyond their particular instances. They are framing the debate over who owns online courses and course materials, not just for our medallion institutions but for virtually every college and university in the country. The result is an atmosphere of fear, anger and anxiety throughout higher education which, in our view, is destructive to the internal fabric of our institutions at a time when we need to pull together to meet our many challenges. What both have in common symbolically is that pot of gold at the end of the rainbow.

Some argue that there's more to it than money, that issues of continued use of educational materials and offering courses at competing institutions are at stake as well. There is some truth in these assertions, but faculty have moonlighted at competing institutions for decades and continued use seems easy to resolve when there's no money at stake.

Before you form a committee to revise your intellectual property policies and before you start to draw lines in the sand, we suggest you take a long, hard look at the likelihood that courses and course materials developed at your institution will be the e-equivalent of Gatorade. Are we really going to look the faculty in the eye and say, "We used to let you own your course materials, but that was before we realized there was money to be made off them."

--CAT

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#### **TIME IS NATURE'S WAY OF MAKING SURE EVERYTHING DOESN'T HAPPEN AT ONCE**

It seems that everywhere we turn these days we witness a debate over distance learning vs. the traditional campus. Generally it is an either/or not both formulation. The debate seldom has a conclusion, not the least because most everyone's definition of the traditional campus is so heavily biased by their particular campus experience and the specific decade during which they attended that campus. I know in my own experience, the campus of my undergraduate days--about 4,000 students--is now a campus of 27,000. On the other hand, my neighbor attended a small, liberal arts college for her undergraduate work and that campus has about the same number of students today as it had several decades ago when she first attended.

Certainly for most of the small, private institutions there never has been any sense of a mission to educate the nation's or even the state's recent high school graduates. Nor has there been a goal of providing continuing post-secondary learning experiences for mid-career, working adults. On the other hand, most state universities have perceived a mission to help educate any qualified high school graduate of their respective state, whether as an undergraduate or career professional. In point of fact, one of the strengths of this nation's higher education system has been the extraordinary diversity of mission and goals of it's institutions of higher learning.

Should all institutions utilize the power and ubiquity of modern computing and telecommunications technology? Of course! It is clear that an educational experience can be tremendously enriched by utilizing these technologies. Should all institutions of higher education provide a distance learning component? This is in no way as clear. We would be among the first to argue that just because something is technologically possible doesn't mean that it should be attempted. A well crafted set of distance learning experiences seems in the mainstream of the mission of many, if not all, of our state universities. It seems quite removed from the mission of statement of many private, liberal arts colleges.

In 1900, two percent of the nation's high school graduates went on to a university education. By 1950, ballooned by the GI Bill, 19 percent of high school graduates went on to a university education. This year, about 33 percent of high school graduates will go on to a university education. Very clearly, the 1900 model of a post-secondary learning system has not scaled. We have about 3,600 institutions of higher education, not 36,000 or 50,000 or whatever the number would be extrapolated from 1900. Instead of a lifetime career with one company we live in a world where a recent college graduate can expect to have six or seven different careers with 10 or 12 different employers. Mid-career learning experiences are becoming every bit as important as the initial undergraduate learning experience. Distance learning opportunities are absolutely mandatory for today's and tomorrow's citizens.

Will institutions without a distance learning component survive? That, at its most primal level, is a question that will be settled by the marketplace. It is clear that the model of the "master" teacher in a physical classroom with 15 or 20 students will continue to experience cost increases that double or triple the rise in inflation. Whatever its quality attributes, it will continue to be out of the financial reach of more and more citizens. Institutions lacking an outreach component will simply have to decide if there are enough potential students who will have the financial wherewithal to maintain their enrollments.

An instructive analogy might be the lack of scalability of the 1900 "mom and pop" store and the rise of franchises and chains. Has Walmart put all the "mom and pop's" out of business? Does Walmart offer similar quality at lower prices? How price sensitive are consumers for goods offered by each? A similar set of questions will have to be answered by higher education institutions contemplating whether or not to take the

distance education plunge.

Even with the extraordinary success of Walmart, or perhaps because of it, we have seen the rise of specialty stores for consumers seeking something more than the fixed inventory of the mega-chain store. Typically those customers are willing to pay a premium. Just as typically, there are fewer such customers and the specialty stores are forced to operate in large population areas in order to attract a customer-base sufficient to maintain their viability. The Net may change this, but probably not much. This might suggest that some institutions will be able to maintain a "specialty" status even with price escalations that significantly exceed the general rise in inflation. It might also suggest that many with lesser name recognition and endowment funding will not survive.

The analogy with "hand crafted" automobiles may also be instructive. In the 1950s there were still a number of automobile manufacturers who pegged their futures on the attractiveness of their "hand crafted" product. Their product continued to escalate in price (both comparatively and in real terms) to the point where nearly all are now out of business. Today's mass produced automobile is both less expensive and more reliable. There are several reasons for this, not the least that quality improvement is pretty much of a sure thing with an automated process that can use constant feedback to improve manufacturing technique. In a "hand craft" industry such as teaching there is little expectation that the next generation will be measurably superior to the last. While higher education speaks of learning as its product, it is not, itself, a learning organization.

In fact, what traditional higher education has sold is teaching, not learning. There likely will continue to be a marketplace for teaching, albeit a comparatively small one. The marketplace for learning however, will continue to grow and show demonstrably improved products from year to year. Compared to the "hand craft" of teaching, it will also demonstrate significant cost reductions and most people will do their shopping at the local mall rather than on Rodeo Drive--whether for household appliances or educational opportunities. Distance learning strategies (some of them applied in a campus setting) will dominate post-secondary learning experiences in the future.

Does this spell the end of the traditional campus? We think not. But most certainly the mission statement of the teacher-centered, traditional campus will begin to differ significantly from the learner-centered, cybercampus. Diversity will continue for some time to be a hallmark of American higher education. We will simply begin to notice that most learners are not resident on a traditional campus.

--RCH

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#### **UPCOMING LEADERSHIP FORUM EVENTS**

##### **THE LEARNING MARKETPLACE: NEW RESOURCES FOR TEACHING AND LEARNING**

Seminar: Tuesday, April 18, 2000, 8:30 am-4:00 pm  
Product Demos: Monday, April 17, 4:00-7:00 pm  
Location: The Westin Horton Plaza, San Diego, California

Moderators: Bob Heterick and Carol Twigg

More and more companies are entering the higher education market, providing new and different approaches to supporting your teaching/learning efforts. This workshop provides a rare opportunity for you to compare and contrast commercial offerings in an impartial environment and to gain an overall understanding of the industry.

- Learn in one day what would take you many to find out on your own.
- Identify potential partners for developing new learning environments.
- Meet your colleagues who are wrestling with the same set of issues.
- See product demonstrations (optional activity on April 17).

Featuring moderated discussions with:

- Blackboard Inc.
- eCollege.com
- eduprise.com
- SCT
- WebCT

If you are involved in decisions regarding expenditure of funds for teaching/learning services and products, you can't afford to miss this workshop!

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**HOLD THE DATE!**

##### **THE LEARNING MARKETPLACE: NEW RESOURCES FOR TEACHING AND LEARNING**

June 15, 2000, Chicago, Illinois  
Moderators: Bob Heterick and Carol Twigg

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